

Board of County Commissioners Agenda Item

Date of Meeting: August 21, 2007

Date Submitted: August 7, 2007

To: Honorable Chairman and Members of the Board

From: Marlon Brown, County Manager
Davin J. Suggs, Director, OMB

Subject: Public Hearing - Approval of Rate Increase of Communications Services Tax

Statement of Issue:

This item seeks approval of the Board of County Commissioners to increase the current Communications Services Tax rate from 0.44% to the statutory maximum rate of 1.84%.

Background:

On April 3, 2007, the Board received from staff a report on several possible alternative revenue options to be implemented for the 2008 fiscal year. During this workshop, the Board discussed its ability to increase the current Communications Services Tax rate. The Board directed staff to bring back a proposed ordinance for the tax rate increase within the statutory timeframe.

Analysis:

The Communications Services Tax is one that is currently levied on all communication services sold within the County. The current rate levied in Gadsden County is 0.44% and the maximum tax rate for non-charter counties is 1.84%. Currently, all of the cities in Gadsden County levy at least 3% in Communications Services taxes. Staff is recommending that the County rate be increased to the statutory maximum rate of 1.84%. The rate has to be changed, via ordinance (Attachment #1), by a majority vote of the Board of County Commissioners during a public hearing before September 1, 2007 to be effective on January 1, 2008. Furthermore, the Florida Department of Revenue has to be notified of the rate change via DOR Form DR-700021 (Attachment #2) by September 1, 2007.

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Fiscal Impact:

The current rate levied in Gadsden County is 0.44% and is projected to produce approximately \$60,000 in FY 2008. The maximum tax rate for non-charter counties is 1.84% and would produce approximately \$252,000 if already adopted. If the Board chooses to adopt the rate increase it will not become effective until January 1, 2008. Therefore, the Board can only anticipate increased revenues for 3 out of the 4 quarters of the fiscal year. A revenue breakdown is provided below:

<u>Timeframe</u>	<u>Time * Rate Established Revenue</u>	<u>Estimated total Revenue</u>
October – December	0.25 * \$60,000	\$15,000
January – September	0.75 * \$252,000	\$189,000
FY 2008		\$204,000

As a result of increasing the rate of the Communications Services Tax the Board can generate approximately \$204,000 in FY 2008 which is \$144,000 greater than the current revenue projected in the FY 2008 proposed budget of \$60,000. All revenue generated by the Communications Services Tax is to be considered general revenue available to be allocated to any type of expenditure of the County.

Options:

1. Adopt ordinance increasing rate of Communications Services Tax to 1.84%
2. Board Direction

Recommendation:

Option 1

Attachments:

1. Ordinance
2. DOR Form DR-700021

GADSDEN COUNTY

ORDINANCE NO: 2007-009

AN ORDINANCE INCREASING THE LOCAL COMMUNICATION SERVICES TAX RATE TO 1.6 PERCENT, WHICH RATE DOES NOT INCLUDE THE ADD-ON OF .24 PERCENT ADOPTED BY RESOLUTION R-2001-015; PROVIDING FOR INTENT; PROVIDING FOR THE ADOPTION OF THE NEW LOCAL COMMUNICATION SERVICES TAX RATE; PROVIDING FOR ENACTMENT OF SECTION 74-4 OF THE CODE OF ORDINANCES OF GADSDEN COUNTY; PROVIDING FOR NOTICE TO THE DEPARTMENT OF REVENUE; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Section 202.20(1)(b), Florida Statutes (2001), established the local communications services tax conversion rate for Gadsden County beginning on October 1, 2002, at .2 percent, without any action required by the County; and

WHEREAS, the Gadsden County Board of County Commissioners adopted Resolution R-2001-015, electing to increase the communication services tax by .24 percent pursuant to Section 337.401, Florida Statutes, in lieu of imposing permit fees on communications service providers desiring to occupy County Rights-of-way; and

WHEREAS, Section 202.19(2)(b), Florida Statutes, authorizes Gadsden County to adopt a local communication services tax at a rate of up to 1.60 percent, which maximum rate does not include the add-on of up to .24 percent authorized by Section 337.401, Florida Statutes; and

WHEREAS, Gadsden County desires to increase its local communication services tax from .2 percent to 1.6 percent pursuant to Section 202.19(2)(b), Florida Statutes.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF GADSDEN COUNTY, FLORIDA, that:

Section 1. INTENT.

It is the intent of the County to adopt a new local communication services tax rate.

Section 2. ADOPTION OF THE LOCAL COMMUNICATION SERVICES TAX RATE.

The local communications services tax conversion rate established under Section 202.20(1)(b), Florida Statutes, for Gadsden County is .2 percent, which is less than the maximum rate of 1.60 percent for non-charter counties that have not chosen to levy permit fees, as

established in Section 202.19(2)(b), Florida Statutes. The local communications services tax rate for Gadsden County is hereby increased to 1.6 percent. This rate is to be effective January 1, 2008.

In the aggregate, the new combined Local Communication Services Tax Rate for Gadsden County will be 1.84 percent, effective January 1, 2008.

Section 3. ADOPTION OF ORDINANCE.

Section 74-4 of the Code of Ordinances of Gadsden County, Florida, is hereby created to read as follows:

Sec. 74-4. Discretionary Communications Services Tax.

Effective January 1, 2008, the local communications services tax rate for Gadsden County pursuant to Section 202.19(2)(b), Florida Statutes is 1.6 percent. This rate does not include the add-on of .24 percent authorized by Section 337.401, Florida Statutes, and adopted by Resolution R-2001-015.

Section 4. NOTICE TO THE DEPARTMENT OF REVENUE.

The Board of County Commissioners directs the Clerk of the Circuit Court to notify the Florida Department of Revenue of the new local communication services tax rate through submission of Form DR-700021 and a copy of this ordinance by September 1, 2007.

Section 5. SEVERABILITY

In accordance with Section 1-9 of the Gadsden County Code of Ordinances, the sections, subsections, paragraphs, sentences, clauses and phrases of this Ordinance are severable so that if any section, subsection, paragraph, sentence, clause or phrase of this Ordinance is declared unconstitutional or invalid by a valid judgment of a court of competent jurisdiction, such judgment shall not affect the validity of any other section, subsection, paragraph, sentence, clause and phrase of this Ordinance, for the Board of County Commissioners declares that it is

its intent that it would have enacted this Ordinance without such invalid or unconstitutional provision(s).

Section 6. EFFECTIVE DATE.

This Ordinance shall take effect upon filing with the Department of State.

DULY PASSED AND ADOPTED BY a vote of ___ to ___ by the Board of County Commissioners of Gadsden County, Florida, this the ___ day of August, 2007.

BOARD OF COUNTY COMMISSIONERS OF
GADSDEN COUNTY, FLORIDA

By: _____
Brenda Holt, Chairman

Nicholas Thomas
Clerk of the Circuit Court



**Local Communications Services Tax
Notification of Tax Rate Change**

DR-700021
R. 12/01

Mail to:
REVENUE ACCOUNTING
COMMUNICATIONS SERVICES TAX
FLORIDA DEPARTMENT OF REVENUE
PO BOX 6609
TALLAHASSEE FL 32314-6609

THIS AREA FOR DOR USE ONLY

Received: _____
Approved: _____
By: _____
Date: _____

Name of jurisdiction	
Existing tax rate	New authorized tax rate
Effective date (new rate)	Repeal date (new rate)
Contact person for rate changes:	
Name _____	Telephone number _____
Title _____	E-mail address _____
Street/PO Box _____	City/State/ZIP _____

NOTE: A copy of the ordinance authorizing the rate change is required before such change will become effective.

Submitted by:

_____	Signature	_____	Title
_____	Print name	_____	Date

Instructions for Completing Form DR-700021

Governing authorities must use Form DR-700021 to notify the Department of tax rate changes. A copy of the ordinance authorizing the change is also required before such change will become effective.

Rate Changes

Pursuant to section 202.20(2), Florida Statutes, for the period October 1, 2001 through September 30, 2002, the governing authority may adjust the rate of the local communications services tax through an emergency ordinance or resolution for the periods ending December 31, 2001; March 31, 2002; June 30, 2002; and/or September 30, 2002. Any governing authority that adjusts its rate shall notify

the Department of the new tax rate immediately upon its adoption. The emergency ordinance or resolution shall specify the effective date for the adjusted rate, which shall be no less than 60 days after the date of adoption of the ordinance or resolution; and shall be effective with respect to taxable services included on bills that are dated on the first day of a month subsequent to the expiration of the 60-day period.

Pursuant to s. 202.21, F.S., for annual rate changes, the governing authority shall notify the Department by September 1 prior to the January 1 effective date.

NOTICE OF INTENT

NOTICE IS HEREBY GIVEN to all concerned that the Board of County Commissioners of Gadsden County, Florida, Intends at its regularly scheduled meeting, commencing at 6:00, p.m., at the County Office Complex at 9B East Jefferson Street, Quincy, Florida, on the 21st day of August, 2007, to consider enactment of the following:

AN ORDINANCE INCREASING THE LOCAL COMMUNICATION SERVICES TAX RATE TO 1.6 PERCENT, WHICH RATE DOES NOT INCLUDE THE ADD-ON OF .24 PERCENT ADOPTED BY RESOLUTION R-2001-015; PROVIDING FOR INTENT; PROVIDING FOR THE ADOPTION OF THE NEW LOCAL COMMUNICATION SERVICES TAX RATE; PROVIDING FOR ENACTMENT OF SECTION 74-4 OF THE CODE OF ORDINANCES OF GADSDEN COUNTY; PROVIDING FOR NOTICE TO THE DEPARTMENT OF REVENUE; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

INTERESTED PARTIES MAY APPEAR AT THE MEETING AND BE HEARD WITH RESPECT TO THE PROPOSED ORDINANCE. IF A PERSON DECIDES TO APPEAL ANY DECISION MADE BY THE BOARD OF COUNTY COMMISSIONERS WITH RESPECT TO THIS MATTER, HE WILL NEED A RECORD OF PROCEEDINGS, AND FOR SUCH PURPOSE, HE MAY NEED TO ASSURE THAT A VERBATIM RECORDING OF THE PROCEEDING IS MADE, WHICH RECORD INCLUDES TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS TO BE BASED.

The proposed ordinance is available for public inspection at the Office of the Clerk, Gadsden County Courthouse, 10 E. Jefferson St., Quincy, Florida.

BOARD OF COUNTY COMMISSIONERS OF
GADSDEN COUNTY, FLORIDA

By: _____
Nicholas Thomas, Clerk

Published one time
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